C-MSE 10/6

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FOR IMMEDIATE RELEASE October 6, 1987 Contact: Jan McDaniel (415) 961-3300

## INPUT EXAMINES CUSTOMER SERVICE MARKETING METHODS IN EUROPE

MOUNTAIN VIEW, CA, OCTOBER 6, 1987 - Recent changes in the customer service environment in Western Europe have triggered a clear growth in the direct marketing function of customer service, states a new report from INPUT, a leading computer and communications industry market research firm.

As the growth rate of hardware maintenance revenues has slowed, new market needs for services are emerging in such areas as software support, training, network support, and professional services. With the emergence of third-party maintenance in Europe, and the rapid development of new market segments such as office automation and distributed systems, where many of the new end users are not data processing professionals, customer service vendors are recognizing the importance of marketing their service products and devoting significant resources (up to 3% of customer service revenue in some cases) to that activity. These changes imply a need for understanding the market more fully and for the development and implementation of marketing techniques.

This new report from INPUT, titled <u>Customer Service Marketing Methods in Europe</u>, examines current levels of marketing activity among European customer service organizations, including both computer equipment suppliers and third-party maintenance organizations. Various marketing-related issues, such as staffing,



budgets, market intelligence, market segmentation, and service product differentiation, are analyzed in detail against the background of growing awareness among service organizations of marketing as a key issue.

A section with recommendations for the successful implementation of the more extensive marketing techniques, which the research for this study has shown to be required, focuses on the need for the customer service organization to:

- Increase its dedicated marketing personnel.
- Increase its marketing budget.
- Develop market segmentation.
- Differentiate service products.
- Implement marketing audits.

The report emphasizes that customer service marketing should not be seen as a defensive strategy for the protection of the existing customer base; its function should be to increase the market share and to generate new sources of revenue and profit for the organization.

<u>Customer Service Marketing Methods in Europe</u> is availabe from INPUT at 1280 Villa Street, Mountain View, CA 94041, (415) 961–3300.

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NOTE TO EDITORS: For an editorial review copy of the report's Executive Overview, contact Jan McDaniel at (415) 961-3300.

